

Town of Moultonborough, New Hampshire
For the Year Ended December 31, 2010

Required Communications to Those Charged with Governance

Professional standards established by the American Institute of Certified Public Accountants (AICPA) require independent auditors to communicate certain matters directly to the Board of Selectmen or an appropriate committee of the Board. This information is intended solely for the use of the Board of Selectmen and management and is not intended to be or should not be used by anyone other than those specified parties. These communications are as follows:

Requirements	Response
The level of responsibility we assume in an audit.	<p>Performing the audit in accordance with auditing standards generally accepted in the United States of America.</p> <p>Expressing opinions as to the fairness with which the Town's financial statements are presented in all material respects in conformity with accounting principles generally accepted in the United States of America.</p> <p>We considered the internal controls developed by your Town.</p>
Management is responsible for the selection and use of appropriate accounting policies. We discussed our judgements about the quality of accounting principles selected, the consistency in their application and the clarity in presentation including judgements and uncertainties.	These are described in Note 1 of the financial statements.
Changes in existing accounting policies and/or the adoption of new policies.	GASB Statement #45, Accounting for Other Post-Employment Benefits, was implemented during the current fiscal year.
Transactions identified with lack of authoritative guidance or consent and related alternative treatments discussed with management.	Nothing came to our attention.
Transactions were recorded in the proper accounting period.	Nothing came to our attention.
Significant accounting estimates that are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgements.	Overall we believe management's estimations process to be appropriate and conservative.
Certain financial statement disclosures are particularly sensitive to financial statement users. Significant disclosures not made are:	Nothing came to our attention.
We performed the audit according to planned scope and timing previously communicated to you.	Engagement letter signed March 1, 2011.

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Required Communications to Those Charged with Governance (Continued)

Significant audit adjustments.	None.
Uncorrected misstatements as part of the audit.	To adjust for an unrecorded liability at year end for \$5,434.
Material weaknesses or significant deficiencies in internal controls noted during the audit.	Nothing came to our attention.
The nature of significant disagreements with management on financial accounting matters or auditing procedures.	Nothing came to our attention.
Any difficulties encountered in dealing with management that affected the performance of the audit.	Management has been extremely cooperative throughout the audit.
Formal opinions management obtained from other independent accountants on significant accounting issues.	Management did not make us aware of any.
Major accounting or auditing issues discussed with management prior to being retained as auditors.	None.
We obtained certain representations from management which we consider to be additions to our standard letter.	None.
Fraud involving management that caused a material misstatement to the financial statements.	Nothing came to our attention.
Independence issues.	We are not aware of any instances that we believe would impact our independence.